



NEWS UPDATE - March 15, 2001

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Quotes of the Day...

"I can't think of a president that has assumed that bad an environmental record in only 60 days."

- Phil Clapp, President of the non-partisan National Environmental Trust, on Bush's announcement that the federal government will not regulate carbon dioxide pollution that accelerates global warming (CNN, 3/15)

"After eight long years, I wake up every morning with a smile on my face because of all the opportunities before us."

- House Republican Whip Tom DeLay on how successful the GOP has been in pushing the corporate agenda (Wall Street Journal, 3/15)

SUMMARIES

1. PROGRESSIVE CAUCUS INTRODUCES ENERGY BILL TO REFUND CASH (news)

Reuters reports on the Progressive Caucus's new energy bill which would force energy companies reaping huge profits off of high prices to refund money it fleeced from consumers over the last few months. The bill, known as the Consumer Energy Rate Relief Act (CERRA) is being spearheaded by West Coast members of the Progressive Caucus including Reps. Bob Filner (D-CA), Barbara Lee (D-CA) and Lynn Woolsey (D-CA).

<http://www.reuters.com>

2. BUSH GOES BACK ON CAMPAIGN PLEDGE ON POLLUTION CONTROL (news)

CNN reports that "environmental groups blasted the White House on Wednesday, saying President Bush has deeply damaged his credibility by his about-face on a campaign pledge to regulate carbon dioxide emissions from power plants."

<http://www.cnn.com/2001/ALLPOLITICS/03/14/bush.carbon.dioxide/index.html>

3. BIG MONEY DIRECTLY INFLUENCED BUSH DECISION ON POLLUTION (news)

The Los Angeles Times closely analyzes how the energy industry exerted pressure directly on President Bush to renege his pledge to regulate carbon dioxide. For instance, the article describes one anecdote: "Speech writers for President Bush were polishing his first major address to Congress last month when a top energy executive called one of the president's closest aides. The request: Urge Bush to drop a line from the speech restating his campaign pledge to regulate carbon dioxide emissions from power plants. The line came out."

<http://www.latimes.com/news/politics/natpol/20010315/t000022658.html>

4. ONE MAN'S STORY OF PROMISING SOMETHING TO THE PEOPLE, THEN BUCKLING TO INDUSTRY(news)

The Washington Post examines how the process by which Bush laid out a campaign pledge to regulate carbon dioxide emissions, and then buckled to industry pressure. Bush reneged despite his own EPA Administrator's continued boasting that the Administration would follow through on its pledge.

<http://www.washingtonpost.com/wp-dyn/articles/A6184-2001Mar14.html>

5. DEMOCRATS POUNCE ON BUSH FOR BOWING TO HIS FAT CAT CONTRIBUTORS IN THE ENERGY INDUSTRY (news)

CongressDaily reports on the efforts of Democrats to galvanize the public against Bush for "backing down on his word," "breaking a promise" and otherwise "flip-flopping" by abandoning a pledge to regulate the emissions as pollutants."

<http://www.nationaljournal.com>

6. EXACTLY HOW MUCH MONEY DID BUSH TAKE FROM THE ENERGY INDUSTRY? (news)

The Center for Responsive Politics releases a report documenting how much money the Republican Party has received from the coal industry, which won a major victory yesterday when Bush announced he would not be regulating carbon dioxide emissions.

http://www.opensecrets.org/alerts/v6/alertv6_11.asp

7. EDITORIAL: PRESIDENT BUSH, YOU ARE EMBARRASSING US AS A NATION (news)

The Kansas City Star editorial board urges Congress to prevent the United States from being embarrassed in front of the international community after President Bush announced that the federal government does not consider carbon dioxide a pollutant. As the editorial says, "it now appears that Bush's pre-election pledge was nothing more than campaign rhetoric" making "the United States look hypocritical. Congress should push forward in demonstrating U.S. leadership on this important issue of environmental protection."

<http://www.kcstar.com/item/pages/opinion.pat,opinion/37753410.314,.html>

8. U.S. IS WORLD'S LARGEST USER OF FOSSIL FUELS, AND YET BUSH REFUSES TO REGULATE THEM (news)

The Los Angeles Times editorial board chastises President Bush for putting his campaign contributors ahead of the national interest when he announced his Administration was abdicating its responsibility to regulate carbon dioxide pollution. As the editorial states, this decision "leaves the United States, the world's largest consumer of fossil fuels, in the indefensible position of being committed to nothing more tangible than continued study of the global warming threat."

<http://www.latimes.com/news/comment/20010315/t000022511.html>

9. SENATE PREPARES TO DO CORPORATE AMERICA'S BIDDING ON BANKRUPTCY BILL (news)

CongressDaily reports that the Senate is on the verge of passing the bankruptcy bill which was written by the credit card companies and which severely cripples consumer protections.

<http://www.nationaljournal.com>

10. HOW CAN THEY VOTE AGAINST THIS??? (news)

The Associated Press reports on various amendments being voted down in the Senate that would preserve protections for families and minors in the bankruptcy bill. Specifically, the story notes that the Senate voted down a proposal that would have imposed \$2,500 limit on credit cards issued to people under 21 unless a parent co-signed the account or the minor could demonstrate sufficient income for a higher credit limit. The Senate also voted down a provision that would have required a minor seeking a credit card either to obtain a parent's co-signature, show adequate income of his own or agree to take a credit counseling course. Yesterday, the Senate voted down another

amendment which would have prevented creditors charging more than 100% interest from being able to use the newly-weakened bankruptcy laws. The credit card industry opposed all amendments to the bill.

<http://www.cnn.com/2001/ALLPOLITICS/03/14/bankruptcy.ap/index.html>

11. SCORE ONE FOR THE CAUSE OF LOWER PRICED AIDS MEDICINES IN AFRICA (news)

The New York Times reports that "Bristol-Myers Squibb said yesterday that it would no longer try to stop generic-drug makers from selling low-cost versions of one of its H.I.V. drugs in Africa, making it the second drug company in a week to greatly change its policies in the face of the AIDS epidemic." This is widely viewed as a major victory for activists and those in Congress who have sought to pressure the drug industry to make concessions on AIDS drugs.

<http://www.nytimes.com/2001/03/15/health/15AIDS.html>

12. S. AFRICAN PRES REFUSES TO CALL AIDS EPIDEMIC AN EMERGENCY TO SURPRISE OF WORLD LEADERS (news)

The Washington Post reports that despite almost 10% of its population infected with HIV, South African "President Thabo Mbeki today rejected appeals to declare South Africa's AIDS epidemic a national emergency, a step that would enable the government to override patents owned by foreign pharmaceutical firms and buy or manufacture cheap, generic versions of life-prolonging medicines."

<http://washingtonpost.com/wp-dyn/articles/A4392-2001Mar14.html>

13. NATIONAL HEALTH CARE IS A PRETTY SWEET DEAL (editorial)

Conservative David Burgess of the International Herald Tribune writes about how his experience being ill in Western Europe quickly made him a believer in the United States needing to move to a national health care system.

<http://www.iht.com/articles/12871.htm>

14. BUSH FOCUS ON TAX CUTS DISTRACTS FROM WHAT WE REALLY SHOULD BE TALKING ABOUT (editorial)

Economic columnist Jeff Madrick writes for the New York "the new administration's first economic proposals reflect almost no recognition of any of" the fundamental problems affecting most Americans. As he says, "jobs are generally less secure, families must work more hours, typical Americans need more education to remain in the middle class, increasingly sophisticated health care is out of reach for an enormous portion of Americans, men's wages are still well behind their historical growth curve and income remains strikingly unequal." Instead of focusing on these problems, "we are plied with talk about how Americans deserve to get their money back from government. This ignores the inconvenient fact that they could not have made their money without government in the first place. It is government that educates their employees, enforces their contracts, protects them against fraud, takes care of their elderly, defends their land, keeps their air clean and, in general, creates a stable, optimistic and free way of life for most."

<http://www.nytimes.com/2001/03/15/business/15SCEN.html>

15. GOP LOOKS LIKE PARTY OF THE WEALTHY, AS USUAL (editorial)

Stanley Crouch of the New York Daily News writes that Bush's agenda is serving the richest members of our society and clearly puts corporate profits over the needs of the vast majority of Americans. As he writes, "Republicans will sometime 'have to accept the truth that profit cannot be such an idol of worship that it prevails over other concerns.'"

http://nydailynews.com/2001-03-15/News_and_VIEWS/Opinion/a-103355.asp

16. BUSH DOOMSDAY RHETORIC HELPING TO FUEL ECONOMIC DOWNTURN (news)

The Washington Post reports that Bush's desire to enact tax cuts for the rich is being fueled by reckless rhetoric about how the American economy is failing that has "helped to dangerously undermine consumer confidence at a delicate time." As the article states, Bush's "relentless effort to tie a long-term tax cut to short-term economic conditions is part of the reason that a key measure of consumer confidence has plunged since Bush claimed victory in the presidential election."

<http://washingtonpost.com/wp-dyn/articles/A4905-2001Mar14.html>

17. RIGHT WING, CORPORATE AMERICA ELATED WITH FIRST 100 DAYS OF BUSH ADMINISTRATION (news)

The Wall Street Journal reports that "When President Bush promised to change the bellicose culture of Washington, most people assumed he would clash with Republican conservatives. But it is a growing number of GOP moderates who are expressing frustration with many of Mr. Bush's recent actions." Specifically, the article notes that Bush's assault on organized labor and his willingness to nakedly do the bidding of corporate America has given the right wing something to cheer about, but has potentially alienated moderates within his own party.

<http://interactive.wsj.com/articles/SB984607308575767240.htm>

18. NO SURPRISE THAT HAGEL LEADS FIGHT TO WATER DOWN CAMPAIGN FINANCE REFORM (news)

Curtis Moore, author of the book Green Gold and former GOP counsel to the Senate Environment Committee, explores Senator Chuck Hagel's (R-NE) efforts to kill serious campaign finance reform. As he notes, Hagel finished his election campaign with \$1 million in debt, and promptly had his debt wiped away by contributions from a host of big money donors, who he promptly went to bat for in the Senate on a variety of legislative initiatives. These same donors would actually be allowed to increase their contributions under his so-called reform bill.

<http://www.tompaine.com>

19. MCCAIN: BREAUX FIGHT AGAINST CAMPAIGN FINANCE REFORM IS IRRELEVANT (news)

The Associated Press reports that Senators John McCain (R-AZ) and Russ Feingold (D-WI) brushed off as irrelevant yesterday's announcement that "centrist" Senator John Breaux would be voting against campaign finance reform. The article notes that Breaux "said moderates, who don't have access to money from activist groups on the right or left, would be particularly hard hit" by campaign finance reform. Of course, what Breaux didn't say was that those same "moderates" are some of the largest beneficiaries of corporate contributions.

<http://www.usatoday.com/news/washdc/2001-03-14-breaux.htm>

20. BUSH'S PROMISING STEPS ON STEEL IMPORTS CLOUDED BY EFFORTS TO ATTACH IT TO FAST-TRACK (news)

The Wall Street Journal reports that the Bush Administration is making positive signs about possibly attempting to curb steel dumping in the United States, which is hurting American steel workers and industry. However, the article also notes that Administration officials hope that this move "would build support among pro-labor Democrats for President Bush's trade agenda, which includes securing so-called fast-track authority to negotiate trade deals that Congress can approve or reject, but not amend" with labor, human rights or environmental provisions.

<http://interactive.wsj.com/articles/SB984607843642059891.htm>

Quotes of the Day...

"I can't think of a president that has assumed that bad an environmental record in only 60 days."

- Phil Clapp, President of the non-partisan National Environmental Trust, on Bush's announcement that the federal government will not regulate carbon dioxide pollution that accelerates global warming (CNN, 3/15)

"After eight long years, I wake up every morning with a smile on my face because of all the opportunities before us."

- House Republican Whip Tom DeLay on how successful the GOP has been in pushing the corporate agenda (Wall Street Journal, 3/15)

FULL STORIES

<http://www.nationaljournal.com>

SENATE VOTES IN FAVOR OF CLOTURE ON BANKRUPTCY REFORM

CongressDaily

The Senate moved a step closer to its third approval in the past four years of major bankruptcy reform legislation, mustering an 80-19 vote late Wednesday in favor of a cloture motion to end debate on the measure. A vote on final passage, slated for today or early Friday, is expected to be similarly overwhelming.

Notwithstanding Wednesday's affirmative vote, leading proponents of the bill viewed cloture as a last resort.

Senators and their staffs worked until the last minute to reach a unanimous consent agreement that would allow for completion of the bill--one of the first major pieces of legislation on the floor this year--without the scent of partisanship associated with a cloture vote.

However, sources said leaders were unable to overcome objections raised by Sen. Paul Wellstone, D-Minn., who has been the legislation's most vocal opponent. Senate Minority Leader Daschle and Minority Whip Reid were among those who voted in favor of invoking cloture. Daschle voted for cloture on a similar bankruptcy bill last year, but voted against final passage.

Amendments rejected by the Senate Wednesday included a proposal offered by Wellstone that would have denied recourse in bankruptcy court to lenders who charge more than 100 percent interest per year.

Wellstone sought to portray his "payday loan" amendment as a litmus test for the Senate's commitment to the poor and disadvantaged. But senators including Banking Chairman Gramm argued that Wellstone's proposal would penalize poorer borrowers who cannot secure credit at better rates.

The Senate also rejected a substitute bill proposed by Sen. Richard Durbin, D-Ill., composed of a bankruptcy measure approved by the Senate in 1998 by a vote of 97-1. Wellstone was the sole dissenting vote on the 1998 bill.

Senate Judiciary Chairman Hatch urged the Senate to vote down Durbin's substitute, saying it would "upset four years of negotiations" on the bankruptcy measure.

Citing a potential conflict of interest, Sen. Peter Fitzgerald, R-Ill., has recused himself from all procedural and substantive votes associated with the bankruptcy bill. Debate on additional amendments--including one to tighten the bill's homestead cap language, to make it harder for rich debtors to shield the value of their homes in bankruptcy--is expected today.

BUSH HANDS WILLING DEMS A CLUB

CongressDaily

Congressional Democrats--borrowing a page from the GOP playbook--sought Wednesday to use President Bush's reversal on carbon dioxide regulations as a tool to weaken the president and galvanize their colleagues for a series of upcoming clashes with the White House.

In a succession of public events, key House and Senate Democrats pummeled Bush for "backing down on his word," "breaking a promise" and otherwise "flip-flopping" by abandoning a pledge to regulate the emissions as pollutants.

The Democrats' campaign fits into a strategy of undermining the White House by portraying Bush as an untrustworthy president captivated by special interests, strategists said.

"We have to set an example for the people we represent," said Senate Minority Whip Reid at a news conference. "We have to be people of our word ... Our president has backed down on his word."

On the other side of the Capitol, Rep. Edward Markey, D-Mass., said at a hearing on coal issues that "in the Bush administration, 'King Coal' still rules."

The comments were followed up by phone calls from Democratic strategists to a number of Capitol Hill reporters.

The Democrats depicted Bush's reversal as the latest in a series of moves that put wealthy Americans and large businesses above ordinary citizens.

"This is the most blatant reward that we have seen to special interests so far," one Democrat declared.

The comments, which offer further evidence that Bush's honeymoon may have come to a close, have repercussions far beyond environmental policy.

Indeed, the Democrats' campaign may be a setback for Bush's efforts on other key priorities, including tax cuts, healthcare legislation and education reform, strategists suggested.

The use of the tactic by Democrats is a role reversal from when the GOP gathered strength by undermining the Clinton administration. On Wednesday, Democrats unleashed their savviest politicians to blast Bush, including their two Senate leaders and several senators who entertain plans to perhaps someday replace Bush.

"Yesterday's stunning reversal by President Bush deals a blow to the international effort to prevent dangerous global warming," said Sen. John Kerry, D-Mass.

Sen. Joseph Lieberman, D-Conn., said the administration "has sadly flip-flopped, apparently under intense pressure from special interests." Lieberman, who campaigned against Bush last fall as the Democratic vice presidential nominee, declared that "a President Gore definitely would have supported a four-pollutant strategy."

Even Sen. Hillary Rodham Clinton, D-N.Y., who often was on the receiving end of such concerted tactics, eagerly joined the attack. "In breaking this promise, the president also breaks his promise to leave no child behind," she declared.

For the record, Democrats dismissed talk that they intended to damage the president. "I am not trying to weaken him," Reid maintained.

Still, Reid said the shift on the pollution regulations "says volumes about his presidency."

Among Republicans, some privately worried Wednesday that Bush's shift may have spoiled months of careful work by the White House to court key Democratic votes.

But publicly, Republicans rallied behind Bush's announcement.

"It was absolutely the right thing to do at the right time for the right reason," said Energy and Commerce Energy and Air Quality Subcommittee Chairman Joe Barton, R-Texas.

<http://www.nytimes.com/2001/03/15/health/15AIDS.html>

MAKER YIELDING PATENT IN AFRICA FOR AIDS DRUG

New York Times

Bristol-Myers Squibb said yesterday that it would no longer try to stop generic-drug makers from selling low-cost versions of one of its H.I.V. drugs in Africa, making it the second drug company in a week to greatly change its policies in the face of the AIDS epidemic.

It is extremely rare for a drug maker to yield its rights over a patent, which gives it a monopoly in selling a drug. But the AIDS crisis has subjected the industry to criticism that its prices are keeping millions of poor people in Africa from getting vital care.

Bristol-Myers holds the patent on a drug known as d4T or stavudine, which is sold under the brand name Zerit, and said it would not use its legal rights to keep lower-cost generic versions of this drug out of South Africa or any other African nation.

Yale University, which owns the rights to the Zerit patent with Bristol-Myers, said it would go along.

Bristol-Myers, based in Manhattan, also said it would sharply reduce the price of Zerit and another AIDS drug, ddI or didanosine, which is sold as Videx, in Africa, to a combined price of \$1 a day. The company does not own the patent to Videx.

In the United States, by contrast, one day's dose of the two drugs costs \$18, the company said.

Bristol-Myers's announcement goes beyond sharp price cuts taken last week by Merck & Company on two drugs.

"This is not about profits and patents," said John L. McGoldrick, executive vice president at Bristol-Myers. "It's about poverty and a devastating disease. We seek no profits on AIDS drugs in Africa, and we will not let our patents be an obstacle."

Bristol-Myers's move on the patent was praised by many of the activists and health care organizations around the world who have been urging the drug companies to allow generic-drug makers to make cheap versions of lifesaving medicines.

"This is groundbreaking," said Kate Kraus, a member of Act-Up Philadelphia, a group that has led protests around the world against the big drug makers. "This is the first time that a U.S. drug company has acknowledged that generic drugs are the key to saving lives."

But the activists questioned why Bristol-Myers was not dropping out of a lawsuit it has filed with the other drug companies in South Africa to keep generic-drug makers from making copycat medicines.

Bristol-Myers executives said yesterday that the lawsuit was still important because it was aimed at protecting their rights to all prescription drugs, not just AIDS drugs.

Whether any of the other makers of AIDS drugs will follow Bristol-Myers's move on its drug prices or patents was not clear yesterday. A spokeswoman for Hoffmann-LaRoche said that the company was reviewing what Bristol-Myers had done and did not have a position yet.

But Nancy Pekarek, a spokeswoman for GlaxoSmithKline, the British drug giant, said it was not planning a similar move. The company believes, she said, that it has already reduced the prices of its drugs enough in Africa that there is little need for generic-drug makers to make cheap versions.

"Our position is that patents are not the issue," Ms. Pekarek said. "The drugs are more affordable than they have ever been."

GlaxoSmithKline and other drug companies who have offered steep price cuts in Africa say what is now needed is for the governments of wealthy countries, as well as private foundations, to offer financing to the African nations so they can buy the AIDS drugs.

Bristol-Myers's move could put pressure on the United States government to allow generic companies to make low-cost versions of essential medicines on which the government holds the patent rights. It holds rights to a myriad of drugs — including AIDS drugs like Videx and Hivid, which is also known as ddC and which is sold by Hoffmann — because they were discovered in government labs or by scientists financed by government grants.

Some activists, including the Consumer Project on Technology, a group founded by Ralph Nader, have asked the National Institutes of Health to give the World Health Organization the right to use patents owned by the United States government to provide cheap medicines for the world's poor.

A spokesman for the National Institutes of Health said yesterday that the government's position had not changed since 1999 when it responded to the Consumer Project on Technology. Dr. Harold Varmus, the director of the National Institutes of Health at the time, wrote then that the government was worried that such a move would put the system of developing medicines with government research dollars at risk. "It is reasonable to assume that companies will not undertake the development costs of these inventions if they believe the government will readily allow third parties to practice the inventions," Dr. Varmus wrote.

Pressure has intensified companies to cut the prices of their AIDS drugs in Africa, where 25 million people may be infected with H.I.V. Early last week, protesters marched in South Africa as 39 companies went to court to challenge a law that would allow the country to buy generic substitutes of patented drugs. The protesters demanded that the companies stop the suit and slash prices.

Then Cipla, a large Indian maker of generic medicines, asked the South African government for permission to sell inexpensive copycat versions of eight anti-H.I.V drugs, including Zerit and Videx.

Last Thursday, Merck said it would offer its two AIDS medicines, the protease inhibitor Crixivan and another anti-retroviral, Sustiva, at prices that the company said equalled its manufacturing cost.

Yesterday, Bristol-Myers said its new prices were below its cost. It will cut the price of Zerit to 15 cents a day or 7.5 cents a pill, while the price of Videx will be cut to 85 cents a day.

But some activists questioned whether the new prices were truly below cost, and noted that Indian generic companies have offered to make Zerit for 5 cents a tablet. And James Love, of the Consumer Project on Technology, said, "We had a quote from a generic company for 22 cents a day for ddI."

<http://washingtonpost.com/wp-dyn/articles/A4392-2001Mar14.html>

SOUTH AFRICA RESISTS CALL FOR AIDS 'EMERGENCY'

Washington Post

CAPE TOWN, South Africa, March 14 -- President Thabo Mbeki today rejected appeals to declare South Africa's AIDS epidemic a national emergency, a step that would enable the government to override patents owned by foreign pharmaceutical firms and buy or manufacture cheap, generic versions of life-prolonging medicines.

Addressing Parliament here, Mbeki said he did not believe it would be necessary to invoke a World Trade Organization provision that

allows member countries to suspend patents in cases of extreme national urgency, without the patent-holders' consent.

An estimated 4.2 million of South Africa's 45 million people are infected with the virus that causes AIDS, more than in any other country.

With only a fraction of the population able to afford the potent antiretroviral drugs and other therapies produced by multinational pharmaceutical companies, Mbeki's government has been under intense pressure to take steps that would make AIDS drugs available and affordable. At the same time, however, the government is wary of taking any drastic steps that would scare off needed foreign investment or raise questions about its commitment to free markets.

The government passed a law four years ago that permitted its health minister to bypass drug-makers' patents to provide cheaper generic versions of the treatments. But that law, which is narrower in scope than the WTO provision, is being challenged in court by a coalition of nearly 40 pharmaceutical firms. Labor unions, human rights activists and opposition politicians have urged Mbeki's governing party, the African National Congress, to declare a state of emergency that would make cheaper drugs available under the WTO provision, rather than place all its hopes on the 1997 law and face a protracted legal ordeal.

While he did not explicitly say so today, Mbeki and other government officials apparently fear that while invoking the WTO measure could alleviate the AIDS crisis, it could also worsen South Africa's broader social and economic woes by scaring away foreign investors just as the country is trying to catch up with a fast-moving global economy.

If the trade pact's national emergency clause were activated, all property rights in South Africa would be temporarily suspended, and many in the country's business community have raised concern over the kind of signal that would send abroad. Foreign investment here declined by 50 percent last year, and surveys show that foreign business executives often fail to distinguish South Africa from neighboring Zimbabwe, where the government all but encourages black peasants to illegally occupy land owned by white farmers.

"There are other consequences," Mbeki said today, "which are not desirable."

Mbeki explained his refusal to declare an emergency by saying that South Africa's own law was adequate in providing wider access to AIDS medicines. Furthermore, government officials express fear that an emergency declaration would dry up investment altogether just as they are trying to right the economy following years of sanctions and mismanagement by the white-minority apartheid government, ousted in the country's first all-races election seven years ago.

"It really is a very difficult balance," said Greg Mills, executive director of the South African Institute of International Affairs. "On the one hand, we face a massive AIDS crisis. But on the other hand, if we declare a state of emergency, we run the risk of looking like another unstable player in an unstable region."

Additionally, because South Africa's is the most robust market economy of any country that is led by a mostly black government, Mbeki and other officials are sensitive to criticism -- real or imagined -- that they are not up to the job.

"No other country has declared a state of emergency on these grounds," Mbeki said in his address. "We see no reason why we should not rely on the more comprehensive legislation approved by this Parliament."

Mbeki said that under WTO guidelines, a state of emergency could only be declared to restore peace and order and that no such threats to the country's security existed.

The question of how to provide affordable AIDS medicines to impoverished people is plaguing governments throughout sub-Saharan Africa, where 25.3 million of the 36.1 million people with HIV live, according to U.N. estimates. In neighboring Botswana, where 36 percent of adults are infected with the human immunodeficiency virus, which causes AIDS, the government announced today it hoped to provide antiretroviral medication by year's end to all who need it. Botswana has the highest rate of HIV infection in the world, but the country's entire population of 1.6 million is less than the number of HIV victims here.

Botswana's President Festus Mogae said that failure to arrest the spread of AIDS in his country "means blank extinction -- it's a reality," news services reported.

But such programs and rhetoric have been slower to come in South Africa.

Known for his restless intellect, Mbeki last year puzzled his allies and foes here and abroad by questioning the efficacy of conventional AIDS medicines and supporting scientists who have discounted the connection between HIV and AIDS.

And while the median household income in South Africa is less than the \$10,000 annual cost for the triple-drug therapy, or "cocktail," commonly used in the West to treat the disease, Mbeki's governing party refused until last month to administer even affordable medicines that have been shown to reduce transmission of HIV from mothers to their unborn children.

Now that the government has begun to shift its stance, and Mbeki has withdrawn from public debate on HIV, international scrutiny has been refocused from South Africa's policies to pharmaceutical companies' pricing policies.

One of the world's biggest drug companies, New Jersey-based Merck & Co., agreed this month to sell two of the roughly 14 medicines used to treat HIV at drastically reduced costs. And an Indian-based drug manufacturer, Cipla Ltd., last week asked South African officials to grant it a license to sell cheap, generic AIDS drugs to the government. And today New York-based Bristol-Myers Squibb Co. announced that it will sell the two AIDS medicines it manufactures to sub-Saharan countries "below cost" and will not prevent South Africa from ignoring the patent rights it holds on one of the drugs.

<http://www.nytimes.com/2001/03/15/business/15SCEN.html>

ECONOMIC SCENE: BOTH POLITICAL PARTIES HAVE THEIR HEADS IN THE SAND

By Jeff Madrick
New York Times

The new economy is temporarily dead on Wall Street, but Washington is acting as if it did not even know it ever existed. The Republicans are setting the antediluvian tone with a tax-cut proposal and a new budget that almost completely ignore vast changes in American life the last 25 years. But the Democratic response is almost as unenlightened. It is as if we are being led by a bunch of 19th-century lawmakers.

The benefits and durability of the new economy were inevitably exaggerated. If the economy of the 1990's was indeed "new," America enjoyed a new economy in every generation of its history, beginning with the cotton economy after the War of 1812 and extending over the next two centuries through canals, water mills, steamships, mass retailers, steel and petroleum, railroads, electric appliances, autos and television.

But if the potency of the new economy is in question, the changes in the way Americans live are undeniable. There have been extraordinary opportunities for those positioned to exploit them, and a host of affordable electronic devices to entertain and inform. But jobs are generally less secure, families must work more hours, typical Americans need more education to remain in the middle class, increasingly sophisticated health care is out of reach for an enormous portion of Americans, men's wages are still well behind their historical growth curve and income remains strikingly unequal.

The new administration's first economic proposals reflect almost no recognition of any of these. Instead, we are plied with talk about how Americans deserve to get their money back from government. This ignores the inconvenient fact that they could not have made their money without government in the first place. It is government that educates their employees, enforces their contracts, protects them against fraud, takes care of their elderly, defends their land, keeps their air clean and, in general, creates a stable, optimistic and free way of life for most.

Advocates of tax cuts also say taxes make up an unusually high portion of the gross domestic product. But much of the tax revenue is from capital gains paid on stock market winnings, and those are rapidly disappearing. The high tax intake also reflects that it was mostly those who were better off who did well in America in recent years, and they pay taxes at a higher rate. Some might contend this is remarkably just.

Democrats insist, I think correctly, that the poor should be the priority, and tax relief should be directed at them. But otherwise they lack a cogent vision of the needs of a new economy.

Consider four or five new economic trends, none of them obscure.

Most Americans are well aware, for example, that work is increasingly insecure. And it is likely to stay that way, as a new economy of accelerated innovation takes deeper root.

Partly as a result, about a third of the work force is now made up of temporary, part-time or self-employed workers, who usually have no benefits and are typically not covered by unemployment insurance. Similarly, full-time workers lose jobs more frequently, and their pension and health benefits as well. When they get new jobs, it is usually for less pay.

In such an environment, it makes sense to reform the unemployment insurance system. Only about a third of jobless workers qualify today, compared with half in the 1950's. The states run the insurance program, but Washington could lead the reform. Similarly, Washington could more aggressively address the portability of pension and health benefits as workers migrate from job to job.

Another important new fact of economic life that has attracted a lot of attention — except, it seems, in Washington — is the rise in hours worked by families. Stagnating wages for American men have forced many women to work when they would prefer not to. Even families that do relatively well need more money to be sure their children get the best possible education and other amenities that middle-class life now requires.

But the widespread movement of women to work did not even become a campaign issue in 2000. An example of useful reform would be more flexible work schedules and more part-time jobs that do not penalize careers and enable workers to attend to family life. But without direction from Washington, such reforms are unlikely.

In the meantime, the nation grows older. This is certainly no secret, but Washington sees no farther than the great Social Security debate. Yet an aging work force provides potential skilled labor for a new economy straining for well-trained and well-schooled help. What the elderly need are jobs that are flexible and part-time. In addition, if the elderly can fend better for themselves, it could also diminish the future burden on Social Security and Medicare. Where is Washington?

As for education, all politicians favor improving it. But few have acknowledged how thoroughly education is now integrated into a successful worker's life. They talk about vouchers and charter schools as if primary education were the nation's only concern.

A new economy has made work life more complex than that. In the 1800's, a good primary education was enough. Then, in the early 1900's, high school was a requirement for a middle-class life. By the 1980's, college had become a necessity. The newest step is continuing education right into the later years. But government has essentially been saying that even with these new needs, you are out there on your own.

A global world of intensifying competition will also keep constant pressure on American wages. As so many industries consolidate to compete internationally, Washington cannot ignore the new economy's shift of power from worker to employer. Strong unions were once a way to keep such corporations in check. Now, government regulations undermine union organizing while antitrust authorities too often look the other way when giants merge. Furthermore, unless wages rise, only full-scale health care reform will bring coverage to those now left out.

Most Americans know their lives have changed. What they may not know is that once Washington addressed the new needs of changing times. Under the current leadership of both parties, America looks awfully tired.

<http://washingtonpost.com/wp-dyn/articles/A4905-2001Mar14.html>

WITH WORDS, BUSH RUNS ECONOMIC RISK

Washington Post

With U.S. economic growth stalling, economists worry that a sharp pullback in consumer spending could tip the nation into a recession.

As world financial markets fell sharply yesterday, President Bush appeared to send mixed signals about the U.S. economy. To reporters, he said he was concerned about the market turmoil but has "great faith in our economy." Later, in a speech, he declared: "Our economy is beginning to sputter."

Bush's remarks underscore the fine line he has tried to walk as he pushes hard for quick passage of his \$1.6 trillion tax cut. The administration has touted the tax plan as a possible "second wind for economic growth," as Bush put it yesterday, so in that sense bad economic news can be good news for the tax cut. But a president also has to avoid alarming consumers and investors.

Democrats have begun making the case that Bush's rhetoric has already crossed the line and helped to dangerously undermine consumer confidence at a delicate time: With U.S. economic growth stalling, economists worry that a sharp pullback in consumer spending could tip the nation into a recession. Administration officials counter that a president can't be a cheerleader and has the responsibility to be realistic and forthright about economic conditions.

So far, the Bush economic team appears to be taking a low-key attitude to the upheaval in the stock market, the unraveling of the Japanese economy and signs of a possible slowdown in Europe. Officials say the situation hasn't called for dramatically new policies, and in fact they believe there isn't much they can do. They are talking privately to Japanese officials about measures Tokyo is considering to bolster the country's economy.

Bush and his advisers are firm believers in free-market policies; much of the current slowdown, they maintain, also stems from a long-overdue turn in the business cycle. In their view, the key to U.S. economic growth is passage of the tax plan, and so that remains the prime focus of the economic team.

"The policymaker that I work for can have an effect on the U.S. economy," Lawrence B. Lindsey, Bush's chief economic adviser, said yesterday. "It is hard to see what he can do directly affecting Europe and Japan. He has paid a lot of attention to see what he can do to stimulate the domestic economy. Fiscal policy [the tax cut] is the tool at the disposal of Congress and the president, and he is working to make it as effective a tool as possible."

Worsening economic conditions could complicate the Bush agenda in other ways.

The administration has marketed the tax plan as a way to give a fiscal boost to a sagging economy, but the version passed by the House

would provide only about \$6 billion in tax relief this year, which most economists say would do little to boost growth this year.

After Monday's stock slide, conservative Republicans began pressing the administration to provide more tax relief early, which could hamper Bush's effort to hold the tax cut to no more than \$1.6 trillion over 10 years.

Democrats argue that the administration's relentless effort to tie a long-term tax cut to short-term economic conditions is part of the reason that a key measure of consumer confidence has plunged since Bush claimed victory in the presidential election. From the platform of the White House, they say, Bush and other officials have not hesitated to emphasize the negative in the economy, while rarely mentioning that unemployment is near record lows or that other economic indicators are good.

Last month, when it was reported that retail sales had jumped, Bush remarked: "Oh, I think it's one good statistic amongst a sea of some pretty dismal statistics. I am concerned about the economy."

In the president's address to a joint session of Congress to sell his tax plan, he spoke of "warning signs" such as "increasing layoffs, rising energy prices."

Vice President Cheney said the economy may be "on the front edge of a recession" on a Sunday-morning talk show in early December.

"Part of this was started when Dick Cheney, a few months back, said we're in a recession," House Minority Leader Richard A. Gephardt (D-Mo.) said yesterday. "We've been talking ourselves into this. Now it's happening."

Gene Sperling, who served as an economic adviser to President Bill Clinton, said, "This may be the first time in the history of the country where a president and vice president have waged a campaign to convince the country that things are going to be worse. . . . It is very possible that the president's continued drumbeat on talking down the economy has become a self-fulfilling prophecy."

Lindsey dismissed the Democratic argument as "silly" and "faintly bizarre." He noted that real disposable income peaked in September, as did hours worked, while the stock market has been sliding for an entire year. "So what are we dating here? The implication is that people shouldn't be able to talk about what's happening."

Lindsey emphasized that "the president has enormous faith in the American economy long term," in part because of the technological revolution. But he said it was also important for a president to talk realistically about economic conditions.

"One of the best weapons a policymaker has besides the fiscal policy tool is candor and realism and credibility," Lindsey said. "That is a much more credible position than for him to be a cheerleader. A refusal to speak the truth and speak candidly I think can actually do quite a bit of damage."

But Sperling said a president can be "candid and reassuring" at the same time. "How often do you hear Bush say unemployment is at a historic low or that productivity is at a historic high?"

Sperling said the impact of Bush's economic commentary can be documented by a growing split between two indicators that measure consumer confidence.

According to the Conference Board, a business research group, consumer confidence about current economic conditions has dropped only 8 percent since November from a rather high level, suggesting that people still feel secure in their personal lives.

But confidence about future economic conditions has fallen 32 percent, producing what Sperling said was the widest gap between the two indicators in a quarter-century.

Kenneth Goldstein, a Conference Board economist, said the cause of this gap is not immediately apparent but agreed that "the difference between the two has changed dramatically in a very short period." He said it suggested that consumers have seen little impact from the slowing economy, but their long-term outlook had been affected by what opinion makers and the media were saying.

"What happened is that a few politicians opened their mouths and started to use the R-word," Goldstein ventured. "And then newspapers started to run big headlines about layoffs."

<http://www.washingtonpost.com/wp-dyn/articles/A6184-2001Mar14.html>

HILL PRESSURE FUELED BUSH'S EMISSIONS SHIFT

Washington Post

At midmorning on Tuesday, Environmental Protection Agency Administrator Christine Todd Whitman arrived at the White House to tell President Bush about her recent meeting in Italy with European environmental ministers. While Whitman was in the Oval Office, however, the president broke an awkward piece of news.

Even though Whitman had spent the past month touting a proposal that would for the first time limit carbon dioxide emissions from power plants—a position Bush had embraced six months ago during his campaign—the president had decided to send a letter to four GOP senators, disclosing that he had changed his mind.

The seven-paragraph letter—dispatched that afternoon, barely two weeks after objections began to surface on Capitol Hill—came in response to a concerted pressure campaign from senior congressional Republicans and lobbyists from the coal and oil industries.

In a single meeting March 5, Bush decided he simply had been wrong to name carbon dioxide as a pollutant. Over the next days, the White House staff and agency representatives abandoned the notion of moving to restrict emissions of the substance.

The hasty retreat on a significant campaign pledge—hailed by environmentalists as a breakthrough when Bush made it—reflects the new administration's eagerness to avoid antagonizing a narrowly divided Congress, especially the Senate with its 50-50 split between Democrats and Republicans.

Indeed, the White House began to rethink its views on emissions in late February, as the president was preparing to outline his \$1.6 trillion, 10-year tax cut proposal and spending priorities in a nationally televised address to Congress. At a time when Bush was trying to create momentum for the tax cut—his paramount legislative objective—Nicholas E. Calio, the White House legislative liaison, began to warn that the emissions proposal was causing trouble and might need to be rethought, administration sources said.

Last week, during two meetings that White House staff members convened with representatives from a half-dozen agencies to reconsider the administration's stance on carbon dioxide, few argued the issue on overtly political grounds, according to sources familiar with the deliberations. But aside from the EPA, the sources said, officials from each agency agreed with Vice President Cheney, the Office of Management and Budget, and White House economic adviser Lawrence B. Lindsey that the policy should be reversed. By Tuesday, Cheney personally delivered news of the change during a meeting with Republicans on Capitol Hill.

Yesterday, Bush explained his change of heart on substantive grounds. "I was responding to reality," he said during a visit to East Brunswick, N.J. "And reality is the nation has got a real problem when it comes to energy."

Echoing the reasoning in his two-page letter, the president said that limits on carbon dioxide emissions would further tilt reliance from coal to natural gas to generate electricity and drive up energy costs when energy supplies already are low in parts of the country. Asked what has changed since the campaign, Bush replied, "We're in an energy crisis now."

White House officials, meanwhile, sought to ward off any suggestion that Bush's reversal had undercut his EPA administrator, emphasizing that Whitman had been a faithful advocate of the position the president adopted as part of his campaign's energy policy.

That policy stated that, while promoting electricity and renewable energy, Bush would work to make the air cleaner. For the first time, he said in a speech in September, he would require all power plants to meet standards to reduce emissions of carbon dioxide, as well as sulfur dioxide, nitrogen oxide and mercury.

Yesterday, Dan Bartlett, a campaign official who now is a senior White House communications adviser, said that position had been developed by "basically internal staff" who patterned the approach after the policy Bush adopted while governor of Texas. In Texas, however, carbon dioxide was not included.

Lynn Scarlett, president of the libertarian Reason Foundation in Los Angeles and an environmental adviser to the Bush campaign, recalled she had been "personally surprised" when Bush endorsed tough carbon emissions standards. She said his position seemed to conflict with his opposition to the terms of an international global warming agreement reached in Kyoto, Japan, in 1997. The United States has not ratified the accord.

But in general, the campaign position attracted little notice. "It did not raise a lot of objections at the time," Bartlett recalled.

Once Bush took office, however, Whitman began to speak out on the issue, alarming conservative GOP senators such as Chuck Hagel (Neb.), Larry E. Craig (Idaho), Jesse Helms (N.C.) and Pat Roberts (Kan.), who dispute the seriousness of global warming.

On the eve of Bush's maiden speech to Congress Feb. 27, Whitman declared on CNN's "Crossfire" program that the president "is very sensitive to the issue of global warming" and would fulfill his campaign pledge to regulate carbon dioxide emissions as well as other greenhouse gases that trap heat in the atmosphere and are widely believed to contribute to the Earth's rising temperature.

Calio's office began to get loud complaints from Capitol Hill.

The complaints were significant enough that Bush's domestic policy advisers raised them during a March 5 meeting with the president. Before that meeting ended, Bartlett recalled, Bush made the decision that he had erred in listing carbon dioxide as a pollutant, because it was not classified as one in the Clean Air Act—a conclusion that some environmentalists dispute.

The president assigned a small working group, led by John Bridgeland, the White House's deputy domestic policy adviser, to "take the pulse of the Cabinet" on the broader question of whether power plants should be required nevertheless to limit emissions of the substance.

Last Wednesday and Friday, Bridgeland and other members of the president and vice president's staff held hour-long meetings with what was dubbed a "carbon rump group," made up of representatives from the Commerce, Energy, Interior, State and Transportation departments, as well as the EPA.

By the end, Bartlett said, "there wasn't a show of hands. But the consensus was that a serious reevaluation was necessary on that position. That much was clear."

Over the weekend, a smaller group of White House staffers drafted the letter to the four GOP senators, who had asked the administration to clarify its views on global climate change. Some at last week's meetings had broached the idea of leaving open the possibility of regulating carbon emissions in the future. "That was not a consideration" while the letter was being drafted, Bartlett said.

By Monday evening, Bush received a copy. His staff planned to discuss it with him Tuesday afternoon. But by the time Whitman arrived at 10 a.m., the president already had made up his mind.

<http://interactive.wsj.com/articles/SB984607308575767240.htm>

BUSH AGENDA ON LABOR, TAXES AGITATES GOP MODERATES, PLEASES CONSERVATIVES

Wall Street Journal

WASHINGTON -- When President Bush promised to change the bellicose culture of Washington, most people assumed he would clash with Republican conservatives. But it is a growing number of GOP moderates who are expressing frustration with many of Mr. Bush's recent actions.

Moderate Republicans, mainly from the industrial Northeast, are upset that Mr. Bush has discouraged labor agreements that favor unionized workers. Some question the president's refusal to compromise on tax cuts, as well as the administration's slow pace of negotiations over a patients' bill of rights.

Several GOP lawmakers, including Rep. Sherwood Boehlert of New York, still plan to introduce legislation Thursday to carry out Mr. Bush's campaign promise to seek curbs on emissions of several pollutants including carbon dioxide -- but on Tuesday they were undercut when the president suddenly reversed his position on that gas.

"For the first time in my entire legislative career, I'm working with an executive of my own party, and I wish we agreed," says GOP Rep. John McHugh, who served for years in a Democratic-controlled legislature in New York before coming to Congress. Mr. McHugh says there isn't necessarily "disillusionment with the president," but a concern that "we can't focus on a more unified agenda."

Conservative Republicans, by contrast, are pleasantly relieved. House Majority Whip Tom DeLay of Texas has been telling friends and foes alike that he couldn't be happier with Mr. Bush. Indeed, last week after Mr. Bush called Mr. DeLay to congratulate him on passage of the tax-rate cut, the majority whip was delighted. "After eight long years, I wake up every morning with a smile on my face because of all the opportunities before us," Mr. DeLay says.

Moderate Republicans, who can hold the balance of power on tight votes, aren't as pleased. Many would like to see Mr. Bush take a more centrist approach to governing to reflect the evenly divided Senate and razor-thin GOP majority in the House. Most of these moderates represent districts in union towns and big-city suburbs, where swing voters often favor strong environmental regulations.

Most are happy to work with Mr. Bush to help enact his agenda, as evidenced by their unanimous, albeit somewhat reluctant, vote to cut tax rates. They are concerned by recent developments, many of which are seen as nods to Corporate America.

Moderates are particularly critical of Mr. Bush's decision this week to not seek curbs on emissions of carbon dioxide, after he pledged to do so in his campaign. "This one decision undoes all of the good that has been accomplished in the first weeks on the environment," says Mr. Boehlert, who registered his frustration in a late-night phone call to the White House on Tuesday. Nevertheless, he says Mr. Bush has done a "bang up" job overall.

Moderate GOP senators also were bothered by the decision -- mainly northeastern Republicans who are crucial to getting the Bush tax bill through the Senate. Sen. Lincoln Chafee of Rhode Island, who opposes the tax cut, said after a meeting Wednesday between moderates and Treasury Secretary Paul O'Neill that the carbon-dioxide decision "doesn't help this discussion at all." Sen. Jim Jeffords of Vermont called the decision "a chink in the armor."

On labor issues, Mr. Bush upset moderates and pleased conservatives last week when he encouraged Congress to overturn worker-safety

ergonomics rules and promised to prevent airline workers from striking. This came on the heels of four executive orders directed at clamping down on organized labor, including one to discourage labor agreements for federal contracts at government projects.

Rep. Jack Quinn of New York hand-delivered to Labor Secretary Elaine Chao a letter signed by 33 centrist Republicans expressing unhappiness with Mr. Bush's decision on the federal contracts. The pacts, which are between unions and builders, set wages and benefits for all companies involved in a government project. Mr. Bush prefers "fair and open" competition for each company and project.

Mr. Quinn met privately with Ms. Chao Tuesday and warned that the White House faces similarly strong opposition from moderates if Mr. Bush follows through on a promise to clamp down on unions that use members' dues to finance political campaigns. The congressman also urged Ms. Chao to require contractors to pay the "prevailing wage" for school-construction contracts, a position that puts him at odds with GOP leaders and many White House officials.

If Democrats can hold their ranks, these GOP moderates could team with House Minority Leader Richard Gephardt of Missouri to defeat key pieces of the Bush agenda. GOP Rep. James Greenwood of Pennsylvania says the president's real test will come during final negotiations over the federal budget and tax cuts. Mr. Bush knows Republicans will need accomplishments to tout on the campaign trail in 2002, Mr. Greenwood says, and moderates will be crucial to striking compromises.

"The president will continue reaching out to members of both parties and be respectful of differing views on specific issues, because what is important is changing the tone to get things done for the American people," says Bush spokesman Scott McClellan.

U.S. LAWMAKERS SEEK REFUNDS FROM POWER COMPANIES

WASHINGTON (Reuters) - Electricity wholesalers would have to refund consumers who were overcharged in recent months, under a House bill proposed Wednesday by California and Ohio lawmakers.

The proposed legislation would also have the Federal Energy Regulatory Commission set wholesale power rates based on generating costs.

"Cost-based rates allow utilities to recover the costs of their investment while also allowing a reasonable profit," said Rep. Bob Filner, a California Democrat. Filner sponsored the bill, along with Democrats Barbara Lee of California and Dennis Kucinich of Ohio.

Consumers in every state would receive refunds retroactive to last year, if power generators were found to have charged more than their cost plus a reasonable profit, under the bill.

Power prices throughout the western U.S. soared over the past nine months as the region's aging power system was overwhelmed by the demands of a rapidly growing population and strong economy.

"To protect consumers we need cost-based whole sale pricing so that power companies cannot take advantage of winter cold snaps or summer heat waves to increase prices," said Rep. Lee.

Earlier Wednesday, FERC approved an order streamlining regulatory procedures for wholesale electric power sales and expediting the certification of new natural gas pipelines into western states.

California is already spending billions of dollars buying emergency power supplies for distribution by the state's nearly bankrupt utilities, whose credit ratings were slashed after they ran out of cash buying power in the volatile wholesale market.

Last week, the FERC notified 13 California electricity suppliers that they must either make \$69 million in refunds to the state's utilities for certain power sales or justify their high prices for the electricity.

The \$69 million in refunds ordered by FERC would apply to power sales made in January.

<http://www.tompaine.com/features/2001/03/14/1.html>

THIS MAN CALLS HIMSELF A REFORMER

By Curtis Moore

<http://www.tompaine.com>

Burglars are said to be cunning and bank robbers brazen, but it's doubtful that either could long survive in the halls of Congress, where cunning and sleight of hand are virtual art forms. Consider, for example, the apparent intent of ten Senators to enact a sweeping enlargement of so-called "hard" money campaign contributions at the very instant the Senate is debating -- and the public is distracted by -- a worthwhile ban on "soft" money.

The bill is championed by Senator Chuck Hagel, Republican of Nebraska, whose record shows that he is -- shall we say -- an odd advocate for campaign finance reform. Running for Senate in 1996 against a popular Democratic governor, Hagel was initially given little chance by political odds-makers. But he ran a good campaign, overtook his opponent, and when things started getting close, Hagel played his trump card: he lent himself \$1 million.

He won handily, with 56 percent of the vote. But he finished the race with a problem: he was out of pocket the \$1 million he had lent the campaign. This is the sort of problem that those familiar with the ways of Washington know how to solve.

Repayment Plans, Hagel-Style

Within days of his election, Hagel's coffers began to swell with donations from special interest groups. Many of those post-election contributions came from the coal, oil, auto and other industries opposed to action to control global warming, even though there is no evidence that the words "global warming" or anything similar ever crossed Hagel's lips during the campaign. A search of the Omaha World Herald files yielded no mention of the issue by Hagel and campaign observers say the subject of global warming never arose. Hagel might have been a cipher on global warming before the election, but he certainly wasn't afterwards.

For every \$1,000 donated by a polluting interest, \$787 was the equivalent of a direct deposit to Chuck Hagel.

Hagel abruptly became one of the most unflinching allies of the fossil fuel industries fighting actions to control global warming. He became a crusader, holding hearings, making floor statements and speeches, and providing the Republican half for the Byrd-Hagel Resolution -- which requires impoverished developing nations to commit to reducing global warming before the U.S. -- which emits a quarter of the world's greenhouse gases -- will curb its pollution by even one pound. Most recently, when President George W. Bush broke his campaign promise to regulate carbon dioxide emissions (a key green house pollutant), he did it in a letter to Senator Hagel, signaling the senator's continued influence on the issue.

From the start, while the freshman senator was busy fighting against an international global warming agreement, his campaign was even busier raising money. During the first two years following his election -- with his next Senate race not until 2002 -- Hagel raised roughly \$133,000 in hard money from the political action committees of those opposed to actions that would curb global warming. This was more than five times as much as he raised from these same groups before the election. His post-election contributors included not only BP Amoco, Chevron, Marathon, Mobil, Occidental, Shell, Tenneco, and Texaco oil companies, but electric utilities across the nation as well as the Big Three car makers and several coal companies. These are hardly down-home interests from the state that sent him to Washington.

These, together with contributions from interests anxious to curry favor with the banking committee, of which he is a member, did wonders to reduce the debt that Hagel owed himself. Of the \$1,099,783 that he collected in 1997-98, he allocated \$787,000 to his own bank account to pay back the campaign loan. In other words, for every \$1,000 donated by a coal, oil, utility, auto or other polluting interest, \$787 was the equivalent of a direct deposit to himself.

Campaign Finance Reform à la Hagel

Now, as the McCain-Feingold campaign finance reform bill comes to the Senate floor, Hagel has proposed an alternative that would triple the size of legal "hard" money gifts from individuals, lobbyists and special interests. He also would cap soft money donations to national parties at \$60,000 per contributor per year -- a figure that is hardly apt to end undo influence by the powerful, but instead is more likely to make their access to the government cheaper. And his bill has a major loophole: it would set no limits for soft money contributions to state parties -- which already receive the vast majority of the contributions. In effect, his proposal would restrict one of many faucets but would in turn open the floodgates. It's a typically smug congressional game played with blue smoke and mirrors.

In fact, of the two types of campaign giving -- "soft" money, which can be given in unlimited amounts to the political parties, and "hard" money, which is donated directly to the candidates themselves -- it is clearly the latter that comes closest to legalized bribery. This is not to say that soft money should not be banned -- it most certainly should, which is one reason that Arizona Senator John McCain so clearly struck a chord with the public when he used that as the central theme in his failed campaign to win the Republican presidential nomination.

But in terms of the true evils of current American governance, hard money is clearly the more insidious. It's hard money that buys excess access for lobbyists, that forces politicians to devote 30 to 40 percent of their time to fund-raising, and that reduces the ability of newcomers to challenge incumbents. That, and Hagel's own history of exploiting every available loophole in the finance laws, is what makes his proposal -- coming as it does just as the Senate girds for the soft money debate -- so ironic and canny.

Many worry over the influence that soft money has on congressional decision-making. But because soft money goes to the parties, not the candidates themselves, it only has as much influence over an office-holder as the party does -- and that's often not much. Candidates can't control the soft money directly because political parties spend it largely in key races. Forced to decide between self interest and party interest, a politician will choose self every time.

Not so with hard money, however. Those donations are delivered, often with a firm handshake and a stern look in the eye by the same lobbyist who will later make a call for an appointment and a vote. Current law is already so lax that virtual rivers of money flow from the bank accounts of special interests to those of candidates. In the last election cycle, candidates for Congress raised a record \$800.7 million, according to the Federal Election Commission. That represents a 39 percent increase in fund raising over 1998 totals.

As it stands today, the average senator who expects to seek re-election must raise roughly \$5,000 per day, each and every day for an entire six-year term -- Saturdays, Sundays, Christmas and Yom Kippur included -- to meet projected campaign expenses. For those in populous states like New York, the figure is much higher -- Rick Lazio, Hillary Clinton's unsuccessful opponent in New York, for example -- would face the daunting prospect of begging for \$15,000 each day. The effect of Hagel's proposal would be to boost the average sum to \$15,000 and the extreme cases to \$45,000.

The fortune in donations that Hagel raised (and repaid himself with) came in hard money -- which he now proposes tripling. The advantages to Hagel of tripling the giving limits are obvious. In 1996, he spent \$3.5 million on his campaign. For a Democratic opponent to be merely competitive in 2002 would require raising three times that amount, or \$10.5 million, a scary prospect for even the wealthy.

The advantage to business and the wealthy is equally obvious, because there is only one conceivable source of that much money: U.S. corporations and the very rich.

Already, the need to raise money -- and the fact that the most ready sources are the PACs and corporate executives -- has pushed politicians, regardless of their party, away from the common good and toward the corporate good. It is not a question of shifting politics from the left to the right, as those terms are usually defined, but of shifting politics from voters to contributors, from plain constituents to cash constituents.

It's important to emphasize that the fortune in campaign donations Hagel raised more than four years before his next campaign came in hard money -- which Hagel proposes tripling in the name of "reform."

Hagel's World

In a rational world Hagel's proposal would stand little chance of being enacted, but Congress is a world unto itself, one where survival is of the utmost concern. Supporters can argue that the hard money limits adopted more than 25 years ago should be increased for inflation, thus enabling Americans to exercise their First Amendment rights fully. Many people inside and outside Congress will be quick to embrace these claims.

Legendary bank robber Willie Sutton, when asked why he robbed banks, replied: "That's where the money is." Knowing this, Willie would not be surprised to learn that Congress, in the name of reform and free speech, had just thrown wide its access to the bank accounts of special interests. He might even consider running for office. And, even though some believe Hagel's specific bill stands little chance of passage, many observers think its core proposition -- raising hard money limits -- might become integrated into the McCain-Feingold bill, perhaps in a late night session, as happens too often in Washington.

Elected officials increasingly owe their loyalty not to those who gave them votes, but instead to those who gave them money. Members of Congress insist that campaign contributions buy nothing. Strange how most of these same members of Congress will insist, when the subject is health care, environmental, banking and other legislation, that the market system operates to near perfection, but in the context of the money they receive it has no influence whatsoever. In fact, the money buys access at the very least. It also has other subtle, but extremely important effects.

Money is applied to Washington in much the same way farmers till pesticides and fertilizers into their soils. Over time, the crops that the farmers regard as weeds die, while those considered crops grow strong and healthy. The same happens in Washington and, increasingly, in state capitals and city council chambers. The result is that elected officials increasingly owe their loyalty not to those who gave them votes, but instead to those who gave them money. The corruption of money in politics, then, is not a single act done in exchange for a contribution. It is the shift over time in a government emphasis from serving the broad public interest to serving the narrow interests of donors.

Used in this fashion, money also becomes what anti-trust lawyers would term an "entry barrier," or a device to bar competing firms -- or in this case, candidates -- from the marketplace. If politics were a business, virtually every politician and corporation in America would be slapped with an anti-trust suit.

Like Hagel, lobbyists and politicians all deny that money changes hands in exchange for something tangible. While it's impossible to read minds, jurors in the United States regularly convict defendants by the tens of thousands of crimes in which intent is an element. They examine the objective evidence and conclude for themselves what was in the mind of the accused.

Perhaps it's true that the generosity of the coal, oil, chemical, auto and electricity industries has had no effect on Hagel's actions or judgment. But we judge accused criminals, whether bank robbers or burglars, by their actions, not their words. Perhaps it's time to start doing the same with politicians.

http://www.opensecrets.org/alerts/v6/alertv6_11.asp

READ MY LIPS: A LOOK AT COAL MINING INDUSTRY CONTRIBUTIONS TO BUSH AND THE GOP

After weeks of lukewarm praise from environmental groups, President Bush today came under fire for reversing a campaign pledge to regulate power plants' emissions of carbon dioxide -- a decision that stands to benefit major contributors to Bush's presidential campaign and the Republican Party.

Bush's about-face, according to the White House, comes on the heels of an Energy Department study that contends restrictions on carbon dioxide emissions (a gas scientists believe is linked to global warming) could possibly lead to higher energy costs for consumers.

Yesterday's decision was a major victory for the coal mining industry and its allies in Congress, who for years have fought against proposals to regulate such emissions under the Clean Air Act.

During the 1999-2000 election cycle, the coal mining industry contributed more than \$3.8 million in soft money, PAC and individual contributions to federal parties and candidates, with the dollars going almost entirely to Republicans. That's more than three times what the industry gave during 1995-96, the last presidential election cycle.

Click here to see a profile of the industry's political giving.

Much of that increase can be credited to the industry's dramatically stepped-up soft money contributions to the Republican Party during the last elections. Coal mining interests contributed \$1.9 million in soft money during 1999-2000, three-quarters of which went to the GOP. The industry contributed just \$324,000 in soft money during the previous presidential election cycle.

There's no doubt that some of that support can be linked to Bush's campaign for president. The industry was one of his biggest boosters, contributing just over \$114,000 to the Bush campaign during the election. James "Buck" Harless, the head of International Industries, a West Virginia mining company, also was named as a Bush Pioneer -- a group of individuals credited with raising more than \$100,000 for the Bush campaign.

In addition to contributions to Bush's regular campaign account, Harless also wrote a \$100,000 check to the Bush-Cheney Inaugural Fund last January, matching a \$100,000 contribution from the Peabody Group and \$2,500 from Gold & Silver, two other mining companies.

<http://www.cnn.com/2001/ALLPOLITICS/03/14/bush.carbon.dioxide/index.html>

GROUPS BLAST BUSH FOR REVERSING POSITION ON EMISSIONS REDUCTIONS

CNN

WASHINGTON (CNN) -- Environmental groups blasted the White House on Wednesday, saying President Bush has deeply damaged his credibility by his about-face on a campaign pledge to regulate carbon dioxide emissions from power plants.

"It only took the president 60 days to walk away from his most specific environmental pledge of the campaign," said Phil Clapp, president of the National Environmental Trust. "It is a disturbing indication that this president has a political tin ear on environmental issues."

In a letter to a lawmaker Tuesday, Bush said his administration will not impose mandatory emissions reductions for carbon dioxide on the nation's power plants. On the campaign trail, Bush had promised to do just that. Only a few weeks ago, Christine Whitman, administrator for the Environmental Protection Agency, reiterated that pledge.

"George Bush was very clear during the course of the campaign that he believed in a multi-pollutant strategy, and that includes CO₂, and I have spoken to that," Whitman said during a February 26 interview with CNN's Crossfire. "He has also been very clear that the science is good on global warming. It does exist. There is a real problem that we as a world face from global warming and to the extent that introducing CO₂ to the discussion is going to have an impact on global warming, that's an important step to take."

Pressed further on Bush's stand, Whitman said there should be no doubt of his commitment to counting carbon dioxide as a pollutant.

"He talked about that during the campaign. He brought up the multi-pollutant strategy during the campaign," she said.

Many scientists believe that cutting carbon dioxide emissions is key to curbing global warming, a trend experts say will lead to rising sea waters, droughts and agriculture disasters in the future if unchecked.

In a new study published in the journal Nature, scientists with Imperial College in London said they found significant evidence of a greenhouse effect on Earth over the past 30 years. The greenhouse effect occurs when gasses in the atmosphere trap the Earth's heat.

In the letter to Sen. Chuck Hagel, R-Nebraska, Bush did not reference his campaign pledge, but noted that carbon dioxide is not considered a pollutant under the Clean Air Act, and he said that placing caps on such emissions would lead to higher electricity prices.

Bush said the issue "warrants a re-evaluation, especially at a time of rising energy prices and a serious energy shortage."

Rep. George Miller, a California Democrat who sits on the House Resources Committee, took issue with Bush's explanation.

"It is insulting to the American people that President Bush is using the electricity crisis in California as an excuse to allow old, inefficient power plants to continue polluting our air," Miller said in a statement. "It is a strong indication that the Bush administration is kowtowing to the oil and coal industry and is not listening to science or public opinion."

Miller noted that even Bush's treasury secretary, Paul O'Neill, has cited the dangers of global warming.

"I find it alarming that rather than listen to his own advisers, the president instead is listening to the lobbyists for the coal and oil industry who seek to continue to contaminate our air," Miller said.

Environmental groups were livid, and Democrats were expected to hold news conferences on Capitol Hill criticizing Bush's change of heart.

Clapp said Bush had undercut the authority of his own EPA chief by letting her make those public pronouncements and then "sawing off the limb right behind her." Clapp also criticized Bush for his proposal to open part of Alaska's Arctic National Wildlife Refuge to drilling and his apparent opposition to a policy -- pushed by former President Clinton -- to ban logging and mining from certain areas in national forests.

"I can't think of a president that has assumed that bad an environmental record in only 60 days," Clapp said.

Fred Krupp, the executive director of the Environmental Defense Fund, said Bush's reversal undermines scientific efforts to combat global warming, "the key environmental threat of this century, while offering no alternative path to protect the planet."

Bush's decision came just days before some moderate Republicans and Democrats were to introduce a bill that would require limits on carbon dioxide emissions. Those lawmakers, including Republican Sens. Susan Collins of Maine and James Jeffords of Vermont, are scheduled to hold a press conference Thursday to unveil their bill.

<http://www.cnn.com/2001/ALLPOLITICS/03/14/bankruptcy.ap/index.html>

SENATE REJECTS LIMITS ON CREDIT FOR MINORS

Associated Press

WASHINGTON (AP) -- The Senate voted down two Democratic efforts to restrict credit cards for minors Tuesday as legislation to make it harder for people to erase debts in bankruptcy court drew closer to passage.

Senators voted, 55-42, against a proposal that would have imposed \$2,500 limit on credit cards issued to people under 21 unless a parent co-signed the account or the minor could demonstrate sufficient income for a higher credit limit.

Several hours later, the Senate rejected, 58-41, a provision that would have required a minor seeking a credit card either to obtain a parent's co-signature, show adequate income of his own or agree to take a credit counseling course.

The amendments, proposed respectively by Sens. Dianne Feinstein, D-Calif., and Christopher Dodd, D-Conn., responded to growing unease about widespread marketing of credit cards to young people, especially college students, who often have no income or credit record. In the worst cases, critics say, students who run up big debts are forced to drop out and work full time to pay them off.

"Many students are being deliberately solicited and targeted for credit cards," Sen. Hillary Rodham Clinton, D-N.Y., said in debate before the vote.

Dodd urged his colleagues to send a message to credit card companies "that we will no longer tolerate their abusive behavior." He and Feinstein alluded to tables on or near campuses loaded with free T-shirts, Frisbees and other gifts to lure students to apply.

In 1999, about 6.8 percent of personal bankruptcy filings were by minors, up from 1 percent in 1996, according to Dodd and Feinstein.

They reached about 150,000 last year, Dodd said.

Sen. Orrin Hatch, R-Utah, chairman of the Senate Judiciary Committee, said the proposed restrictions would deprive minors, who are legally able to drive and to sign contracts, of another important right.

A wider vote, 61-37, trounced a proposal by Sen. Edward Kennedy, D-Mass., to remove from the bill a \$1 million cap on the amount of Individual Retirement Account benefits that can be shielded from creditors in bankruptcy court.

The broader legislation to overhaul bankruptcy laws overwhelmingly passed the House on March 1, and President Bush has signaled he will sign the measure if it reaches his desk.

In recent days, Democrats in the Senate have been proposing a series of amendments aimed at tempering the legislation but have been rebuffed nearly each time.

A rare exception came Tuesday when senators adopted by voice vote a provision by Sen. Charles Schumer, D-N.Y., that would prevent home lenders deemed as exploiting consumers with excessive interest rates and harsh terms from staking a claim to a debtor's assets in bankruptcy court.

The legislation was vetoed in December by then-President Clinton, who contended it would hurt ordinary people and working families that fall on hard times. It has been pushed by the banking, credit card and retail credit industries, while consumer groups and unions have opposed it.

A Senate vote is expected Wednesday to choke off debate and set a final vote on the measure, the most sweeping overhaul of bankruptcy laws in 20 years.

After days of debate in the Senate, the House and Senate versions of the legislation were similar. Negotiators from the two chambers would have to meld the versions into one after Senate passage.

In the most significant difference, the Senate measure contains a provision prohibiting people found to have blocked others from obtaining any legal service from using bankruptcy proceedings to escape fines and civil judgments. There is no similar provision in the House bill.

The Senate provision is a compromise springing from an earlier amendment by Schumer related specifically to people found to have violated laws protecting abortion clinics.

Personal bankruptcies in the United States reached a record 1.4 million in 1998, despite the strong economy, up more than 300 percent since 1980. The rate declined to about 1.3 million in 1999 and 1.2 million last year.

<http://www.usatoday.com/news/washdc/2001-03-14-breaux.htm>

MCCAIN AND FEINGOLD SHRUG OFF LOSS OF BREAU

WASHINGTON (AP) — Sens. John McCain and Russ Feingold said Wednesday they are undeterred by the loss of a Democratic supporter as they look toward the reopening of debate on changes to campaign spending laws.

A couple of Democrats "may be getting a little nervous, or maybe even looking for an exit sign," said McCain, R-Ariz. "We always knew this was going to be tough."

John Breaux, a Louisiana moderate, is the first Senate Democrat to state that he will not support the McCain-Feingold bill that would ban "soft money," the unrestricted funds that pour into political parties from corporations, unions and rich individuals.

The Senate next week is to begin debate on campaign spending legislation, and, with Democrats now holding 50 seats, supporters say this is the year they will finally succeed.

The House counterpart, offered by Reps. Christopher Shays, R-Conn., and Marty Meehan, D-Mass., has passed twice in recent years with solid majorities, but the Senate version, backed by every Democrat and a minority of Republicans, has never gained the 60 votes needed to overcome opposition filibusters.

Breaux, in an interview with The Associated Press, said he couldn't support McCain-Feingold because the soft money ban would hurt Democrats, who match Republicans in raising soft money donations but can't compete in raising hard money donations given directly to candidates. He said moderates, who don't have access to money from activist groups on the right or left, would be particularly hard hit.

"Any reform has to create a level playing field," he said. "You have to look at the practical effects, not just the theoretical effects."

"We're not delighted to lose Senator Breaux," said Feingold, D-Wis., at a news conference where the "Blue Dogs," a group of 33 House Democratic conservatives, announced their support for his bill. "But we feel good we'll be able to keep unity" among other Democrats.

Breaux said there were other Democrats who shared his opinion and were happy he was making his stance public.

But McCain and Feingold said they were confident that those Democrats who have voiced support for a rival bill, by Sen. Chuck Hagel, R-Neb., in the end would vote for their bill. They mentioned Mary Landrieu, D-La., who is a leading sponsor of the Hagel bill, and Ben Nelson, D-Neb.

The Hagel bill, which Breaux backs, would limit, but not end soft money. There would be a \$120,000 cap on soft money donations and \$150,000 for hard money donations to political parties over a two-year election cycle. Individual contribution limits to candidates would increase from the current \$1,000 to \$3,000 per election.

White House press secretary Ari Fleischer said Tuesday that administration officials had met with Hagel and "there are promising things in what Senator Hagel has proposed." He added, "The president is going to work with members of Congress to forward his vision of campaign finance reform."

"Hagel is not in the middle of anything," McCain said when asked if lawmakers might see that bill as a middle-of-the-road compromise. "Hagel is the affirmation of soft money."

Shays, the chief Republican supporter in the House, said the endorsement of the House Blue Dogs was crucial at a time when it appeared that some Senate Democrats were wavering. "It's important to know that's not happening in the House."

Shays said they will get a vote in the House this year regardless of what happens in the Senate in the coming weeks.

In addition to banning soft money, McCain-Feingold would require greater disclosure of campaign spending and put restrictions on "sham issue ads" run by corporations and unions in the 60 days before a federal election.

According to the Federal Election Commission, Republicans took in \$244 million and Democrats \$243 million in soft money in the 2000 election. Republicans raised \$447 million in hard money, well above the \$270 million raised by Democrats.

<http://www.latimes.com/news/politics/natpol/20010315/t000022658.html>

U-TURN ON EMISSIONS SHOWS BIG ENERGY CLOUT

Los Angeles Times

WASHINGTON--Speech writers for President Bush were polishing his first major address to Congress last month when a top energy executive called one of the president's closest aides. The request: Urge Bush to drop a line from the speech restating his campaign pledge to regulate carbon dioxide emissions from power plants.

The line came out. Unclear at the time was that this deletion of just a few words foretold Bush's abrupt reversal on the issue this week. The call from the energy executive was only one of countless frantic telephone calls from lobbyists to administration officials and blunt conversations between White House staff and members of Congress culminating in the first abandonment of a campaign pledge in Bush's two-month-old presidency.

On Wednesday, Bush denied he had given in to industry pressure. At the same time, administration officials took pains to try to minimize the damage to Environmental Protection Agency chief Christie Whitman, who had recently reiterated Bush's policy in interviews and appeared to have been undermined by the announcement.

"We were involved at every step," said Whitman spokeswoman Tina Kreisher.

But the turnabout clearly indicated how tricky it may be for Bush to act on environmental issues without running afoul of the pro-energy juggernaut he has unleashed.

It also showed the immense clout of the energy industry in this political climate--strong enough to begin with but now magnified by the power panic in the West.

When Bush pledged during his presidential campaign to impose a new federal policy on the carbon dioxide emissions by power plants, the energy and utility industries took note but were not alarmed. Company officials assumed that a Republican president would proceed gingerly and in an industry-friendly way.

The energy industry's confidence came in part because of the generous financial donations it gave to the Bush presidential campaign and

the fact that the industry is well represented in the administration by alumni who now hold key White House positions. The coal mining industry alone contributed \$1.9 million in unlimited donations to political parties, known as soft money, in 1999-2000, three-quarters of it to Republicans, according to an analysis by the nonpartisan Center for Responsive Politics. This was a sixfold increase from the previous election.

Whitman's Statements Prompted Lobbying

When news spread in the industry that Bush planned to include a line about regulating carbon dioxide emissions as an environment-friendly nod in his first big congressional speech, however, their worries started, according to a well-placed industry lobbyist, who asked not to be quoted by name for fear it would blackball him with the new administration.

But the real lobbying maelstrom--from congressional and industry opponents--was prompted by Whitman's statements the day before and the day of Bush's Feb. 27 speech to Congress. Speaking on a television talk show and to reporters after a Senate hearing, she reiterated Bush's interest in regulating carbon dioxide as part of a multipollutant strategy to reduce global warming.

"The spark that ignited the anxiety in the energy companies was when EPA Administrator Whitman made her comments," said Jack Gerard, president of the National Mining Assn. "It appeared that she had the pretty firmly held view where [the policy] was going. That was news to all of us."

Energy and industry lobbyists brought up the subject in all the calls and meetings they had with each other, with lawmakers and their staffs, and with their contacts in the new administration.

Bush Warned Against Regulation

They warned Bush that by regulating carbon dioxide he would doom his ongoing effort to craft legislation promoting the production of more inexpensive energy from diverse sources.

"All of us, out of concern, began to register our concerns about what a mandatory carbon dioxide regulation would do" to the administration's hopes for designing a successful energy policy, Gerard added.

Effort Called Spontaneous

Gerard and others suggested that the Bush administration changed its position so quickly that there was no time for an orchestrated lobbying campaign. Instead, the effort was spontaneous and pell-mell.

The industry lobbyists reminded Bush officials that they had expected a GOP administration to be accommodating but instead the Bush administration had already struck a blow to industry by embracing a decision made late in the Clinton administration to require a drastic reduction of sulfur in diesel fuel.

Four GOP senators who were concerned about imposing regulations on carbon dioxide emissions wrote to Bush. The March 6 letter quoted Whitman's comments, made the case against the regulations and asked for a "clarification" of the administration policy. Bush's response to that letter was the unusual vehicle for announcing his policy on carbon dioxide emissions.

Rep. Joe Barton (R-Texas), chairman of the House subcommittee with jurisdiction over legislation regulating carbon dioxide, was particularly outspoken. He made his vehement opposition known in person to Vice President Dick Cheney, Treasury Secretary Paul H. O'Neill and an array of other top administration officials.

Regulation Chances Appeared Dead

On Friday, he and GOP House leadership staffers met with administration officials, including Andrew Lundquist, chief of Bush's national energy policy development group. Their goal was to drive home the point that, even if Bush wanted to regulate carbon dioxide, he could not get legislation through Congress to do so.

Barton "was extremely firm" in refusing to allow legislation through his committee regulating carbon dioxide emissions, said Sa mantha Jordan, his spokeswoman.

The message was clearly getting through. The issue was the subject of a series of staff meetings during the last two weeks with participants from agencies including the State, Energy, Commerce and Treasury departments and the EPA.

On Friday, a staff recommendation was sent to the president, and over the weekend aides started drafting the letter Bush sent Tuesday to the four senators, said Dan Bartlett, deputy counselor to the president.

Personal Meeting With EPA Chief

Bush did not sign off on it until Tuesday morning, announcing his decision after a midmorning meeting on the budget in the Oval Office. Bush met personally with Whitman about 10 a.m. Tuesday to tell her what he had decided.

On Wednesday, Bush told reporters that his decision was not in response to industry pressure.

"I was responding to reality," Bush said, commenting during a tour of an after-school mentoring program in Plainfield, N.J. "And reality is the nation has got a real problem when it comes to energy. We need more sources of energy. We need more power plants. We need more exploration for natural gas. And we need clean coal technology. I am concerned that if we don't act in a common-sense way that our people will not be able to heat and cool their homes."

In the aftermath of the announcement, the administration clearly was trying to counter the impression that Whitman had been undercut. Her spokeswoman, Kreisher, said Whitman was not giving any interviews, and Kreisher restricted her comments to one sentence. Bartlett confirmed that Whitman and her top aides were fully involved in the process that overturned the policy. Whitman's earlier statements reflected the administration's position at the time, he added.

<http://interactive.wsj.com/articles/SB984607843642059891.htm>

BUSH CONSIDERS CURBING STEEL IMPORTS TO ATTRACT DEMOCRATS TO TRADE AGENDA

Wall Street Journal

WASHINGTON -- The Bush administration, moving down a path where the Clinton administration feared to tread, is considering imposing three-year restrictions on steel imports.

Specifically, administration officials said they may impose prohibitively high tariffs on imports above an as-yet-unspecified level. Officials are working with the steel industry to set ground rules -- and are asking the industry to take steps to restructure itself, perhaps cutting production to help bring the global supply of steel more in line with demand. Steel analysts said that will be a tough sell, because the industry is peppered with small companies that could be put out of business.

Administration officials hope the extraordinary step would build support among pro-labor Democrats for President Bush's trade agenda, which includes securing so-called fast-track authority to negotiate trade deals that Congress can approve or reject, but not amend.

"I have some sympathy for this industry," U.S. Trade Representative Robert Zoellick said. Mr. Zoellick, Commerce Secretary Don Evans and Treasury Secretary Paul O'Neill will be talking to steel executives and their congressional representatives to draft details of the proposal.

Three years ago, the Clinton administration rejected pleas from the steel industry to impose the restrictions, fearing it would spark outrage among U.S. trading partners that America was protecting its domestic industry. So it's ironic that Mr. Zoellick, perceived as a classic free-trader, is moving in that direction.

The rationale is simple: "I guess they counted the votes and saw they weren't going to get" fast-track authority, said Gary Hufbauer, an economist with the Institute for International Economics, a Washington think tank that generally backs free trade. "Basically, Zoellick is a strategic thinker, and he's saying, 'Steel, well, that's the price to pay for fast track.'"

At least, it is part of the price. Administration officials said they may also fold fast track into one big trade bill with other items that Democrats find more palatable, like the U.S.-Jordan free trade pact, which Democrats like because it links trade sanctions to labor rights. The administration is also considering tacking on the Vietnam trade pact negotiated last year, and the renewal of trade preferences for developing countries.

Of all of these, steel is by far the most powerful sweetener for Democrats, who have close political ties to the United Steelworkers of America. Indeed, one reason Mr. Zoellick is considering the move is to stave off congressional attempts to impose steel quotas through legislation, which would almost certainly violate international trading rules.

"Do I want to spend months and months fighting steel quota bills?" Mr. Zoellick said in an interview. "No."

The steel restrictions under consideration wouldn't violate global trade rules, since the U.S. would employ a rarely used trade law that forces the government to compensate the countries targeted.

But administration officials caution that they won't shield the U.S. steel industry unless companies take steps to change themselves. On that point, Treasury Secretary O'Neill, former chief executive officer of Alcoa Inc., appears to be drawing on his experience in the

aluminum industry.

In the early 1990s, the collapse of the Soviet Union flooded world markets with aluminum, pushing prices down 31% between January 1991 and November 1993. Mr. O'Neill led the industry's effort to persuade the Clinton administration to support the creation of an international cartel to slash global production and boost prices. The aluminum deal succeeded in driving up prices -- at least initially.

<http://www.iht.com/articles/12871.htm>

A CONSERVATIVE CONVERT TO SOCIALIZED MEDICINE

By David Burgess
International Herald Tribune

PARIS-What's the old joke? A conservative is a liberal who has just been mugged? Well, I am a conservative who has just been "mugged" by the socialized French health system, and, to my astonishment, I'm a believer.

I have lived in France for nearly 19 years. Until about two years ago I was very cross about the amount I had to pay in taxes and in "social charges," which finance the medical system, in which a pauper gets about the same medical care as a millionaire.

Let me take you quickly through my experience of being gravely ill in France.

For 20 years or so I had been a gobbler of antacids in one form or another, and in October 1998 I began to have trouble swallowing. I assumed it was an ulcer and took the appropriate medicine, but it didn't go away.

At the end of the year I was referred to a doctor who performed an endoscopy, in which, under anesthetic, a tube is inserted in the throat, allowing the doctor to have a look around and do a biopsy. He found that I had a malignant tumor at the base of my esophagus, where it meets the stomach, that had virtually closed the passage.

The doctor lost no time. He called my local hospital, which fortunately was one of the four in the Paris area that could do the operation that I needed, and reserved me a bed for the next day.

At the hospital, within an hour or two of my arrival, my surgeon, who has the title of professor, as he is head of the department of digestive surgery, paid me a visit. He outlined the operation I would have, and, in answer to my question, said the mortality rate for the kind of cancer that I had was about 85 percent within the first three years. But, he said, "Don't worry, we're going to beat it."

Foolishly, I suppose, I believed him. Now, more than two years later, I still do; he has lots of charisma.

After my operation, which lasted more than 10 hours, I was in the hospital another three weeks, then home, where a nurse came by each day to give me the shots I needed, check and dress my surgical wounds and make sure that I wasn't losing weight. Then back to the hospital for three days of chemotherapy every three weeks - four treatments in all.

I was operated on in mid-January 1999, went back to work part-time in mid-May, and returned to work full-time in September. (For those of you who are less than enthusiastic at the prospect of going to work in the morning, there is nothing like a serious illness to adjust your outlook.)

Why does socialized medicine seem to work in some places and be a disaster elsewhere? Anyone who reads the British press is assaulted daily with tales of how cancer patients have to wait months for an appointment with an oncologist, or a candidate for a hip or knee replacement has to wait years. In France, such delays can be measured in days or, at most, weeks.

Why the difference? Take a deep breath. These are the numbers, provided by the French and British health ministries and translated into dollars (bear in mind that Britain and France have roughly the same populations). French total expenditure on health in 1999 was \$109.5 billion. In Britain it was about \$78.02 billion. Per capita, it was \$1,800 in France and \$1,312 in Britain. As a percentage of the gross domestic product, it was 8.5 percent in France and 5.9 percent in Britain.

I should mention that I am not yet out of the woods. My markers, blood tests that indicate the presence of cancer, started to rise last summer, and since the end of September I have again been in chemotherapy. The markers have dropped consistently, showing that the therapy is working. The treatment is debilitating. I expect to resume work part-time from April or May until the summer vacation, and full-time thereafter.

Last summer, I asked a friend of mine, a dean at a medical school in New England, what the cost of my care would have been in the United States. "About \$700,000," she said. I haven't seen a bill. Well, that is not quite true. I got a bill for 43 francs (about \$6.50). I'm not sure what it was for, but I paid it.

I no longer complain about my taxes.

BUSH SHOULD BUCK IMAGE OF BOWING TO RICH

By Stanley Crouch
New York Daily News

The anger that still attends the subject of the election of President Bush is a very stubborn passion. It is not going silently into the night of history. People are still howling and stomping mad.

But we got a better deal than Bush himself may get before this year is out. We learned — without a doubt — that the individual vote surely does count. All manner of voting reform legislation is going on, some of it to the left of Lenin, perhaps some to the right of the Ku Klux Klan, all of it the kind of reaction to a major historical moment that we should have.

There should be voting reform. By the time we have finished redressing the problems brought to light by the Florida controversy, we will be fairly sure that the kinds of troubles that occasioned so many debates and created so much bad blood will not come around again.

At this moment, however, Bush still has to create an image of himself that will do real battle with the predictions that he'll be a paper President upon which wealthy figures in the shadows will write their wishes, expecting them to be made into policy.

His faith-based initiative will gain ground and support as long as those given grants have inarguable track records. If some think that only Christian organizations should get federal money, such people should be put in rooms with walls made of mirrors and left alone. If what they do works and does not have some kind of wacky bigotry attached, like the Nation of Islam, then full speed ahead. Judge them on their record. No more, no less.

Bush's tax cut plan will prove less of a problem than his recent reversal of a campaign promise to slow global warming. That gives the impression that, on some issues, he might well be a paper President. But, as we know, men of power can turn around more than once. There are too many political dangers connected to environmental issues, even when some of the loudest defenders of the environment are nearly nuts and have no ability to accept the hard fact of life on this Earth, which is that something has to go for something else to continue to exist.

Eventually, even Republicans are going to have to step up to the worst facts about the environment. They, too, will have to accept the truth that profit cannot be such an idol of worship that it prevails over other concerns.

The need to reduce earnings in the interest of society is a demanding truth that we as Americans find ourselves perpetually returning to as we adapt our policies to bring the profit motive in line with morality and ethics.

With the economy bobbing and weaving and the Russians preparing to walk Iran into its own nuclear moment, Bush is going to need all the public confidence he can get. So he has to make sure that those who believe they can write their will on his image merely because they are wealthy might as well be trying to write on the wind.

It's even more important that he prove that to this nation, which could give him and his party much more appeal.

<http://www.kcstar.com/item/pages/opinion.pat,opinion/37753410.314,.html>

BUSH'S FLIP-FLOP ON CLEAN AIR

The Kansas City Star

President Bush has reneged on one of his most explicit campaign pledges to protect the environment. He promised last September, during the heat of the campaign against pro-environment opponent Al Gore, to push for regulation of carbon dioxide emissions from power plants. Now Vice President Dick Cheney, speaking for the president, says that pledge "was a mistake."

It was not a mistake. Global warming, which creates droughts, loss of cropland and excessive heat in some parts of the world, has been linked directly to carbon dioxide emissions that trap heat in the atmosphere. An international panel of scientists projected recently that global warming is getting worse, largely because of human-caused factors, including burning coal and oil.

This is a betrayal to the public and to Environmental Protection Agency chief Christine Todd Whitman, who had been emphasizing the president's commitment to curbing power-plant emissions. She had promised that the president's original plan "would have enormous impact" in deterring global warming.

Cheney, who oversees energy policy directives for the White House, said Whitman was just being "a good soldier" by repeating the campaign pledge.

It now appears that Bush's pre-election pledge was nothing more than campaign rhetoric designed to counter Gore's environmental appeal. Did Bush really mean it when he said it?

Bush explains that he changed his mind because of problems with utilities delivering sufficient power to consumers, particularly in California. Curbing the use of coal, a relatively low-cost resource for electric production, would reduce power production and lead to higher energy costs forced by reliance on more expensive methods, the president said.

A president worried about consumers should be seriously concerned about the loss of clean air to breathe. Instead, the president has stated that carbon dioxide does not fit the definition of a pollutant under the Clean Air Act. He conveniently ignores the fact that global warming contributes to health-related problems worldwide, including famine, natural disasters, the spread of disease, and crop failures.

It appears the president has listened to the powerful coal and utility lobby that stepped up its lobbying of him following Whitman's comments. In addition, four Republican senators, including Pat Roberts of Kansas, had written the president asking him to back off the clean-air campaign promise. Bush complied. And Americans will remember his about-face.

A bipartisan coalition of lawmakers had been poised to push legislation supporting the original Bush stance to curb carbon dioxide emissions. These lawmakers should continue their quest.

This is an issue that affects not only Americans but also people in other countries where the United States has pushed for stronger environmental controls on their governments.

The president's decision to back off tougher anti-pollution measures in this country makes the United States look hypocritical. Congress should push forward in demonstrating U.S. leadership on this important issue of environmental protection.

<http://www.latimes.com/news/comment/20010315/t000022511.html>

A PRESSURED BUSH RETREATS

Los Angeles Times

Six months ago, presidential candidate George W. Bush promised to improve the nation's air quality and ease the threat of global warming by setting "mandatory reduction targets" for carbon dioxide. President Bush now has abandoned that promise. It was a "mistake," says a White House spokesman, for Bush to have described carbon dioxide as a pollutant in need of regulation. Actually, the mistake Bush made came this week when he caved in to the coal industry and other big campaign contributors.

The president said he won't seek to mandate reductions in emissions of carbon dioxide from power plants. Among the major producers of carbon dioxide are coal-fired plants that account for more than half of the nation's electricity output.

In a letter to some members of Congress, Bush contended that he reached his decision in the best interests of consumers, since regulating carbon dioxide emissions could raise energy costs. He also assured conservatives worried about his apparent readiness to adopt a regulatory approach they abhor that he doesn't buy the argument that global climate change is necessarily related to the amount of carbon pumped into the atmosphere. On this matter, the White House says, more study is needed. That claim is simply disingenuous. An insistence on more study is one of those hoary devices--like naming a presidential commission that won't issue a report for a year or two--commonly used to avoid a controversial decision.

Bush's retreat probably kills pending efforts in Congress to get carbon dioxide listed as a pollutant in need of regulation. Certainly it is a blow to Environmental Protection Agency Administrator Christie Whitman, who unlike her boss seems convinced by the scientific evidence that man-made carbon dioxide does contribute significantly to global warming. What science indicates is that carbon dioxide emissions, created when fossil fuels are burned, play a large role in the greenhouse effect that keeps more of the sun's heat trapped in the atmosphere. The result is believed to be a gradual rise in temperatures and an increase in the threat of potentially catastrophic climatic changes.

It's no doubt true that capping emissions from power plants would mean some increase in electricity prices. Technological fixes aren't free. But they certainly can be cost-effective in improving the quality of life. Cleaning up tailpipe emissions, which was bitterly resisted by the auto industry, has dramatically improved the nation's air quality. The overwhelming majority of Americans, as polls consistently show, are willing to pay a bit more for cleaner air and safer water.

Not surprisingly, the charge against carbon dioxide regulation was led by businesses that are large coal consumers and that were major contributors to Bush's campaign. Likewise no surprise, it was those in Congress most bitterly opposed to the still unratified 1997 Kyoto Protocol, which would commit the United States and other industrialized countries to major cuts in carbon dioxide emissions, who pressured Bush to back down. That leaves the United States, the world's largest consumer of fossil fuels, in the indefensible position of being committed to nothing more tangible than continued study of the global warming threat.

